FDI in Telecom services, Tea and Coffee plantations

809. SHRI NANA DESHMUKH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that in addition to 100 per cent FDI via automatic route in power and petroleum refining sector, Government have now allowed cent per cent FDI in telecom services, tea and coffee plantations;

(b) whether it is also a fact that Government are proposing to lift restrictions on dividend repatriation by multinational companies; and

(c) if so, what safeguards are being taken be Government to protects the interest of domestic industries in these sectors as well as interest of the nation as a whole so that the past history of East India Company is not repeated?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) No, Sir. Cent per cent FDI is not being permitted in telecom services, tea & coffee plantations. No equity cap however is applicable to manufacturing activities in telecommunications sector.

(b) On review of the policy on dividend balancing, hitherto applicable to 22 specified consumer goods industries, and with a view to attracting more FDI, it has been decided to remove this condition, since it is seen as inhibiting investment.

(c) FDI is not considered a threat to an efficient domestic industry. However, while considering FDI proposals, a declaration is obtained from the applicant whether the foreign collaborator has any previous joint venture or technology transfer/trademark agreement in the same or allied field in India, the detailed circumstances in which it is considered necessary to set up a new joint venture/ enter into new technology transfer (including trade mark), and proof that the new proposal would not in any way jeopardise the interest of the existing joint venture or technology/trade mark partner or other stake holders. For induction of Foreign/NRI/OCB equity in an existing Indian company, a copy of the Board Resolution of the Indian company is called for.

Disinvestment of 33 PSEs

810. DR. MANMOHAN SINGH: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government have decided to disinvest its equity in 33 public sector enterprises;